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Capstone Turbine Reports Select Preliminary Q4 Fiscal 2018 Financial Results

Capstone Sees a Strong Rise in New Product Orders with a 1.3:1 Book-to-Bill Ratio

A Return to Annual Revenue Growth with a Year-over-Year Increase of Approximately 7%

Cash Usage Declines 44% for Fiscal 2018 Compared to Prior Year on Tight Expense Controls

Q4 Fiscal 2018 Financial Results Webcast to be Held June 7, 2018, at 1:45 PM PT, 4:45 PM ET

VAN NUYS, Calif., April 18, 2018 (GLOBE NEWSWIRE) -- Capstone Turbine Corporation (www.capstoneturbine.com) (NASDAQ:CPST), the world's leading clean technology manufacturer of microturbine energy systems, continues to provide increased transparency by announcing select preliminary financial results for its fiscal fourth quarter ended March 31, 2018.

Capstone's preliminary results show new product orders of approximately \$14.5 million during the fiscal fourth quarter generating a 1.3:1 book-to-bill ratio. This compares to \$7.2 million during the fiscal third quarter and a 0.5:1 book-to-bill ratio and \$5.8 million during the fiscal second quarter, which also represented a 0.5:1 book-to-bill ratio.

Darren Jamison, President and Chief Executive Officer of Capstone, stated, "Our preliminary product bookings of \$14.5 million and a book-to-bill ratio of 1.3:1 during the fourth quarter underscores our ability to drive revenue growth and the market's accelerating adoption of Capstone's energy solutions across diverse markets. Continuing this momentum into the new fiscal year is my primary focus as we continue to leverage our new bundled solutions program, long-term service offerings and revenue opportunities in new geographies such as Latin America, Africa and the Middle East," added Mr. Jamison.

Total preliminary revenue for the fourth quarter of fiscal 2018 was approximately \$21 million making total revenue for fiscal 2018 approximately \$83 million, a 7% increase from a year ago when Capstone recorded revenues of \$77.2 million. These preliminary results indicate that Capstone has returned to year-over-year revenue growth after three years of consecutively lower revenues due to multiple macroeconomic headwinds.

"During the fourth quarter and year-to-date, Capstone continues to secure new product orders from an increasingly diverse distribution channel, including global tier one clients, key oil and gas producers and top-ranking commercial facilities," Mr. Jamison added.

Total cash, cash equivalents and restricted cash as of March 31, 2018, were approximately \$19.4 million, compared to \$16.5 million as of December 31, 2017. Cash usage during fiscal 2018, excluding net proceeds from equity transactions and the change in the line of credit, was \$8.5 million lower compared to fiscal 2017, representing a 44% reduction. Additionally, Capstone generated cash of \$0.2 million in the fourth quarter of fiscal 2018, excluding net proceeds from equity transactions and the change in the line of credit, compared to cash usage of \$2.8 million for the same period last year.

“The past fiscal year has benefited from our cash management strategy and has recently delivered positive cash flow for the quarter, excluding net proceeds from equity transactions and the pay down of the line of credit. We are executing on our strategy that continues to deliver results including higher margin revenue from our accessories, parts and service business and tight operating expense controls, which has led to meaningful improvements in our quarterly cash flows,” said Jayme Brooks, Chief Financial Officer and Chief Accounting Officer of Capstone.

Capstone also announced that borrowings on its asset based revolving credit facility decreased approximately \$2.5 million during the quarter to \$8.5 million as of March 31, 2018, compared to \$11.0 million at the end of the prior quarter and that it received approximately \$5.2 million from equity transactions during the fourth quarter of fiscal 2018.

“We continue to focus on maintaining a very low operating expense level, while targeting key strategic areas to increase spending that will help drive revenue growth. I believe the recently announced Distributor Support System (DSS) program is a great example of this initiative as it provides additional funding for business development activities, customer lead generation, brand awareness and tailored marketing services without significantly increasing our operating expenses,” added Ms. Brooks.

“We have an excellent foundation from which we will continue to build our momentum into fiscal 2019. Capstone entered the new fiscal year from a position of strength and focused on growth with a strong order book, improved margins, lower operating expenses, an improving balance sheet and a more focused spend on marketing to drive sales. We are also seeing increasing benefits from our innovative aftermarket service businesses, which helps to build a predictable revenue base and drive margin expansion,” concluded Mr. Jamison.

The select financial results presented in this press release are preliminary and may change. This preliminary financial information includes calculations or figures that have been prepared internally by management and have not been reviewed or audited by our independent registered public accounting firm. There can be no assurance that the company’s actual results for the period presented herein will not differ from the preliminary financial data presented herein and such changes could be material. This preliminary financial data should not be viewed as a substitute for full financial statements prepared in accordance with GAAP and is not necessarily indicative of the results to be achieved for any future periods.

Conference Call and Webcast

Capstone will host a live webcast June 7, 2018, at 1:45 PM Pacific Time (4:45 PM Eastern Time) to provide the results of the fourth quarter fiscal 2018 ended March 31, 2018. Capstone will discuss its financial results and will provide an update on its business

activities. At the end of the conference call, Capstone will host a question-and-answer session to provide an opportunity for financial analysts to ask questions. Investors and interested individuals are invited to listen to the webcast by logging on to Capstone's investor relation's webpage at www.capstoneturbine.com. A replay of the webcast will be available on the website for 30 days.

About Capstone Turbine Corporation

Capstone Turbine Corporation (www.capstoneturbine.com) (NASDAQ:CPST) is the world's leading producer of low-emission microturbine systems and was the first to market commercially viable microturbine energy products. Capstone has shipped over 9,000 Capstone Microturbine systems to customers worldwide. These award-winning systems have logged millions of documented runtime operating hours. Capstone is a member of the U.S. Environmental Protection Agency's Combined Heat and Power Partnership, which is committed to improving the efficiency of the nation's energy infrastructure and reducing emissions of pollutants and greenhouse gases. A DQS-Certified ISO 9001:2015 and ISO 14001:2015 certified company, Capstone is headquartered in the Los Angeles area with sales and/or service centers in the United States, Latin America, Europe, Middle East and Asia.

Forward-Looking Statements

This press release contains "forward-looking statements," as that term is used in the federal securities laws. Forward-looking statements may be identified by words such as "expects," "objective," "intend," "targeted," "plan" and similar phrases. These forward-looking statements are subject to numerous assumptions, risks and uncertainties described in Capstone's filings with the Securities and Exchange Commission that may cause Capstone's actual results to be materially different from any future results expressed or implied in such statements. Capstone cautions readers not to place undue reliance on these forward-looking statements, which speak only as of the date of this release. Capstone undertakes no obligation, and specifically disclaims any obligation, to release any revisions to any forward-looking statements to reflect events or circumstances after the date of this release or to reflect the occurrence of unanticipated events.

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